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PROPAEDEUTIC TO MODERN ECONOMICS

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Under this title I offer three papers or three lecture-studies dealing with modern economic history: Part I, Preliminary Sketch or Survey of Economic Nationalism; Part II, The Larger Social Science; Part III, The Divisions of Current Economics.¹

PART I

SURVEY OF ECONOMIC NATIONALISM

1. *Development of late mediaeval economics.*—The first chapter in my manuscript volume on *Economic History: Rise of Modern Economics*, describes “The Breaking up of Medieval Economy.”²

The two following sections exhibit the large and usually accepted grouping made in modern economic history. By treating these sections parenthetically and continuing the consecutive numbering of our subparagraphs, the first six successive chapter headings of my study of the *Rise of Modern Economics* will be given. These six chapters we may view as describing the transition from ancient to modern economics and as continuing from 1350 to, say, 1914 or to date.

¹ Discussion for Parts I and II appears in this issue; that for Part III will be printed in the September number of this *Journal*.

² The remaining chapter headings of this manuscript study in modern economic history as its chapters stood completed several months before the outbreak of the great war in August, 1914, are as follows: chap. ii, “Rising Modern Economic Nationalism, 1480 to 1560”; chap. iii, “Policy; Colonization and Finance, 1560 to 1660”; chap. iv, “Mercantilism European, 1660 to 1750”; chap. v, “Commercial Imperialism and Industrial Revolution, 1750 to 1830”; chap. vi, “A Tentative World-Economy, 1830 to 1914.” The new chapter on world-economy, on which mankind has begun and is now working, is chap. vii, “World-Economy after 1914.”

When using the proposed book as a basis of instruction the topics developed in these papers may be presented by lectures or by informal talks by the teacher. But the formal work of the student should begin with chap. i, “The Breaking up of Medieval Economy.”

The development of a late mediaeval or dawning modern economics is notable, traceable on a clear and large scale during the period from, say, 1350 to 1500. Mid-fourteenth century is the beginning of a period of about a century and a half which may, with general agreement, be described as the breaking up of mediaeval economy, and to this period the first chapter of *Modern Economics* is devoted. It deals with the late mediaeval, transitional, or dawning modern economics. In this chapter an account is undertaken, in secs. 5-10, of the inauguration of the agrarian revolution which began with the appearance of the Black Death in England in 1348, the beginning of the Hundred Years' War between England and France, and the rise of new social doctrines of that period, accompanied by the steady progress of industrial and commercial evolution throughout Western Europe. The changes in methods of manufacture and commerce as well as the beginnings of changes in mediaeval agriculture persisted unceasingly until the modern age of Europe had been unquestionably well begun.

A. FIRST PERIOD OF ECONOMIC NATIONALISM, 1480 TO 1750

This period is described in chaps. ii to iv inclusive.

2. *Economic nationalism, 1480 to 1560.*—The second chapter describes the fiscal policy of Henry VII of England and his extension of the royal power, the rise of new forms of relief, the new canonist economics, and mercantilism. After Henry VII had attained the leadership of European peace and treaty negotiations, as noted in sec. 10 of chap. i of *Modern Economics*, the achievements of economic nationalism were thereafter carried forward under the leadership of great monarchs like Charles V of Spain, later Charles, emperor of Germany, Francis I of France, and Henry VIII of England.

This period, 1480-1560, witnessed the European extension of the area of commerce around the entire globe and the realignment of nations new and old about the Atlantic, which became the mid-sea of the modern world in lieu of the Mediterranean of the ancient world. This same period also witnessed the development of certain economic aspects of the Renaissance and the Reformation

which have permanently marked the economic theory, that is, the economic philosophy, or thought and policy, and economic organization of the modern world, sec. 15. This section is followed by secs. 16-18, which give an account of the finances of Henry VIII and the destruction of the monasteries; the agrarian changes and distress of that epoch; English industry and commercial expansion to the far South and the far Northeast and over wide seas; and the rise of the professions, the recognition of public welfare and new methods and devices for the relief of the poor—methods and devices which were required, that is, became socially necessary as a consequence of the reorganized church or churches of the Reformation period.

3. *First period of modern economic theory.*—The third chapter is given to a consideration of policy, colonization, and finance of Elizabethan England and the Commonwealth of England from 1560 to 1660. During this period the principles of modern economics, so far as these are involved in the modern mechanism of exchange, or money and banking, had attained a quite complete development, and were embodied in almost their present form, in the Elizabethan reform of the currency and the Elizabethan social legislation under the guidance of Elizabeth's great prime minister, Lord Burleigh (Cecil). Altogether the greatest economist of England during the sixteenth century, if judged as a doer, an administrator of economic interests, was Lord Burleigh, just as I should pronounce Pope Gregory the greatest economist of all Europe at the end of the sixth century (590-604 A.D.), if we judge Gregory as a doer, an administrator of economic interests. In ensuing sections of the third chapter the study of applied economics is continued under the twofold title "Policy; Colonization and Finance from 1560-1660."

After the manner of a student of political science who reasons back from the actual practice of statecraft by a Burke or a Jefferson to the political philosophy of a Burke or a Jefferson, so from the economic policy or policies of the ministers of James I, or of Charles I, or of the leaders of the Long Parliament, we may reason back to the economic theory that must have been accepted and tacitly applied by these ministers and leaders as underlying their

actually realized economic policies and their specifically adopted measures of taxation. These two great branches or aspects of economic science, namely, colonial policy and public finances, were likewise cultivated and applied by statesmen of the Continent at the same time with astuteness, energy, and assiduity. About the foregoing subjects and sundry others like agriculture, trade, and population, mercantilist and cameralist economics then mainly centered with increasing energy and animation.

In this volume I aim to write the history of modern economics, but not the history of modern economists, just as Cajorie in that little book of his on the elementary history of mathematics undertook to write the history of mathematics, but not the history of mathematicians. For the history of economists as distinguished from the history of economics, I refer now once and for all to whatever encyclopedic literature may be available for the student desiring to refer to some name or subject in economics on which he wishes further information. Of the encyclopedic literature I name and commend, for example, Palgrave's *Dictionary of Political Economy* and Lewis H. Haney's *History of Economic Thought* (a revision by Ingram).

Chapters ii to iv deal together with the period which can be very properly described as the first period of modern economics, although I am certain that I shall find objectors who will affirm that there was no modern period in economics before Adam Smith. But the defense of my position I will leave to the reader of secs. 5 to 33 of my *Rise of Modern Economics* which attempt to state the genetic development of economic theory and economic forms of organization before Adam Smith and before the physiocrats.

Among Englishmen who deserve high rank as economists long before Adam Smith, who will deny a place to Lord Burleigh, or Sir William Petty, or Charles Davenant, or Josiah Child, or Nicholas Barbon, to say nothing of others? In some cases we have to discover the economic theory of the earlier modern epoch from 1480 to 1750 by reasoning back from the practice of economic policies to the economic theory or the economic philosophy by which certain great thinkers and actors like Burleigh must have justified their policies and measures.

4. *Mercantilism European, 1660-1750*.—In this fourth chapter I describe an epoch of especially warlike and warring economic nationalism followed by a short calm in England under Walpole. In sec. 27 of this chapter I undertake to give a retrospective summary of economic nationalism regarded as culminating in a universal European mercantilism during the seventeenth and early eighteenth centuries. This era was marked by a passionate and incessantly active trade on the seas and by rival national efforts of colonial extension and territorial acquisitions which resulted in a series of trade wars between England and France, and a lesser and briefer conflict between England and Holland during the reigns of William and Mary, and of Anne. These wars were of great intensity. They were preceded and accompanied by a frenzied extension of, and devotion to, the policies of mercantilism. In sec. 28 I offer a brief interpretation of English economic policy and progress from 1660 to 1688; in sec. 29 I sketch the mercantilism of France (Colbertism) and of Holland. Then in sec. 30 I call attention to the special development of cameralism and its significance. In that connection I concede that cameralism and mercantilism have a common basis in economic nationalism, but I also affirm that the two present many contrasts. The English mercantilists were succeeded by Adam Smith and his followers. The German cameralists were succeeded by the modern historical school of economists. The reconciliation of the two tendencies was not even ostensibly accomplished in political economy until the mergence later, especially since 1850, of the classical English school of Smith and the two Mills and the historical school of economists led by Roscher, Knies, and Hildebrand. This union of two wings of economic science is recounted in secs. 44-46 of chap. vi of my *Rise of Modern Economics*.

In sec. 31, chap. iv, I continue consideration of European mercantilism by describing English parliamentary Colbertism; and this section I conclude with a subparagraph, sec. 31 (4), which notes the Tory free-trade movement from 1688 to 1714.

During this latter period and the decades thereafter which followed under the Walpole administration, England laid the foundations of her commercial empire and buttressed her national

power upon the economic liberalism of her common law and upon the principles of her seventeenth-century constitutional struggle and a sounder trade policy, namely, the thoughtful Tory policy which heralded a free-trade movement, or more correctly, a freer-trade movement, as over against the narrower Whig Colbertism of that epoch. British internal economy in the period of calm which came to England in the age of Walpole is recounted in sec. 32, which is followed in sec. 33 by a summary presenting a very brief account of the economic development of the American colonies to 1750.

B. SECOND PERIOD OF ECONOMIC NATIONALISM

5. *Commercial imperialism and economic internationalism.*—In chap. v we enter upon the second period in the rise of modern economics, an epoch during which the absolute sway of the older economic nationalism ceased, but we must guard ourselves most carefully and even sedulously against accepting the inference which has frequently been made that modern economic nationalism then ceased. Economic nationalism did not cease even a generation later with the appearance of Adam Smith's great treatise on the *Wealth of Nations* in 1776. Nor had it, nor has it, ever altogether ceased, even after the reform epoch which began in 1830.

During the three centuries preceding the period from about 1750 onward, the mercantilist and cameralist economics which began in the days of the new nationalist monarchs and their finance ministers, monarchs like the English Edward IV, Henry VII, and Henry VIII, the French Louis VI, Louis XI, and Charles VII, or the Spanish Ferdinand and Isabella, and the emperor Charles V, were represented by that first school, or those first schools, of modern economics which remained in unquestioned ascendancy until the forerunners of Adam Smith, like Richard Cantillon and David Hume, and great cameralists like Justi and Sonnenfels prepared the way for a more liberal and more cosmopolitan economics. The period beginning about 1750, may be denominated as the second period of economic nationalism.

The great eighty years from 1750 to 1830¹ witnessed a notable breaking up of economic nationalism, a radical change and even a partial collapse of mercantilism by the introduction of a larger viewpoint for the development of economic theory, for the development of a larger, wider, and more liberal system of economic thought, that is, a more liberal system of thought on economic subjects. But the practices of an objective English national economy changed but slightly and but very, very gradually. Nevertheless even the practices of the English national economy were slowly enlarged and widened by the experiences and demands of empire resulting in some changes of structures and policy, i.e., changes of polity and policy. Encouraged by the visions of a cosmopolitan world-economy anticipated and advocated by Adam Smith's treatise on the *Wealth of Nations*, this treatise then began at once its epoch-making influence.

In sec. 34 I interpret the meaning and significance of commercial imperialism as exemplified in the rise of British India and other contemporaneous events in the political and commercial world of that period. In sec. 35 I point to the logical and inevitable connections and relations of the commercial imperialism of that epoch to the rise of the Smithian economics as result or resultant of the economic and political forces then operative in the enlarging British Empire. In secs. 36 and 37 I analyze the industrial revolution of the late eighteenth and early nineteenth centuries; in sec. 38 the economic significance of the French revolution; and in sec. 39 English social economy and the changes therein wrought and actively proceeding from 1760 to 1830. In sec. 40, with which I conclude the fifth chapter, I give a brief summary account of the Ricardian political economy, which is itself a triumphant expression of the industrial revolution in its effects on markets and the stock exchange as these forced themselves on the attention of a man who like Ricardo studied and understood markets and the stock exchange. But Ricardo himself took but slight and an altogether inadequate notice of the changes which the industrial

¹ These may be called the second great eighty years in contradistinction from the great eighty years from 1480 to 1560. Cf. chap. ii of *Modern Economics*.

revolution wrought during his own lifetime outside of the stock exchange in English social economy.

6. *Tentative world-economy*.—In the opening section of my sixth chapter, sec. 41, I call attention to the societal reconstruction of Europe and the modern world which was then beginning. A tentative cosmopolitan world-economy was inaugurated during the decades of the birth of English radical liberalism of Richard Cobden and John Bright.

In thought men have of course risen to an actually possible world-economy. But we must reserve indefinitely any declaration that we have today attained any actually existing, harmonious world-economy, except in the cautious and tentative hope we may entertain that a potential economic internationalism is now forming, that is, has been formulating, especially since the Napoleonic era, which will perchance ultimately replace the absorbing present potent basis of economic nationalism.

In sec. 42, under the title "Ricardian Economics and Bourgeois Democracy, That Is, Burgess Democracy," I direct attention to the commanding influence which men of wealth and the leaders of industry and commerce attained and maintained during those same decades. That commanding influence has been maintained since then. But it has often met with notice of check by the sullen notes of dissent that began to arise respecting the inequities of the existing system of the distribution of wealth and some notes of dissent in the presence of the happy-go-lucky optimism of the Ricardian economics which in our time, although retaining its vigor and its logic, has nevertheless been forced to replace its earlier creed of optimism with a more serious and somber creed of meliorism in lieu of an audacious optimism in the face of social distress.

The ultimate triumph of the political economy of the working over the political economy of the bourgeois was foreshadowed—but must we not say unconsciously?—by Karl Marx in his inaugural address delivered September 28, 1864. This fact is noted by Simchovitch.¹ I agree with Simchovitch in his utterance that "Marx's

¹ For comments on Marx's repudiation of his own increasing misery theory, see Simchovitch's *Marxism versus Socialism* (New York, 1913); also found in *Political Science Quarterly*, XXIV, 252-53.

claim to fame rests precisely upon his refusal to traffic in eternal varieties. His economic laws are laws of capitalistic production only."¹

In sec. 43, chap. vi, I introduce a review or summary of measurable tendencies toward the formation and growth of an economic internationalism which, although at work since the Napoleonic era, has been particularly active since about the middle of the nineteenth century. The second half of the nineteenth century was notable also for the growth and development of a great co-operative movement accompanied by experiments in social legislation on a large scale, followed also by some bold efforts to develop a system of social politics in which social welfare and social insurance have formed central topics of discussion and legislative action. I am aware that contemporary students of these nineteenth-century activities which I have grouped respectively as the co-operative movement of England and as the movement for *Sozialpolitik* in Germany, were generally wont to contrast with each other as resting on essentially conflicting principles and as destined to opposing goals. But in a re-reading of these movements and in the intenser light of the most recent decades, especially from the period since about 1885 or 1890 until the outbreak of the European conflict, these dominating aspects of nineteenth-century economic theory and economic organization representing English and German or Continental methods of approach to the same problems are dealt with in more detail in secs. 44 and 45, respectively, of my *Modern Economics*. These two sections exhibit and analyze two tendencies of approach to the same problems. These two lines of approach were clearly showing signs of union and agreement when the great European conflict suddenly arrested a steadily growing co-operation toward the realizing of social justice and economic internationalism. In this period from 1850 to 1914 English and German schools of economic science were likewise in process of being welded together

¹ Cited by Simchovitch in *Political Science Quarterly*, XXIV, 254. If the facts contradict the theory we must deny the facts or repudiate the theory. Marx was accustomed to deny the theory when he found it contradictory to facts. In the cases where he does not do this, we must do it for him. We can and should do it for him in some other phases of Marx's reasoning by pointing it out wherever his own logical conclusions or postulates are contradicted by the facts.

in the adoption of common measures for the promotion of the general welfare as shown in secs. 44 and 45, and in economic science and philosophy as shown in sec. 46 of the sixth chapter.

As noted above, during the first period of modern economics, mercantilism held universal sway in Europe during the seventeenth and early eighteenth centuries. During that period, in sec. 30 of chap. iv, attention was called to the special development of cameralism as itself a phase of mercantilism. But its additional significance was then only barely indicated, without further reference to cameralism except for a mere mention of *Justi* and *Sonnenfels* in sec. 35, until in sec. 41 the German historical school was named as the most important of the several schools of dissenters from the English classical political economy of the closing and opening decades respectively of the eighteenth and the nineteenth centuries.

The German historical schools of dissent from the English classical political economy were themselves at the same time the logical successors and the lineal descendants of the German orthodox economics—namely, cameralism; while those German economists who accepted the Smithian-Ricardian economics of Richard Cobden and John Bright were known in and out of Germany as the Manchester school, *das Manchestertum*.

If an alignment of the economists of the several European countries were to be attempted with the predominant English and German groups respectively, there would result fairly general agreement in classing the Italian with the German and Austrian on account of their isolation along with Germany and Austria after 1500, as noted in sec. 27 of *Modern Economics*. The French economists and others bordering on the Atlantic would be recognized as English in tendency, as J. B. Say and Frederic Bastiat, for example, notably are. But this contrast between English and Continental economists has largely disappeared since the closing decades of the nineteenth century, a period during which economic internationalism has made great progress, and lines of distinction between nations on economic subjects have been vanishing more and more, while a unitary economic science then began its process of building with contributions from both hemispheres, north and south, east and west.

The inauguration of a larger world-economy thus had made a beginning in the late eighteenth-century movement. It was heralded in England by her commercial imperialism and the industrial revolution; these are described in the fifth chapter. The sixth chapter is now entitled "A Tentative World-Economy, 1814-1914." With the Napoleonic Wars a world-economy of an older sort was then replaced merely by the beginning of a new chapter in world-economy. The addition of another chapter beyond 1914 now lies in the future, and cannot now be written. In the opening sections of a seventh chapter, secs. 47-49, some possible beginnings of that new chapter are definitely intimated.

The discovery of the New World, the Western Hemisphere, and the further mastery by man of East and West, have given increasing indications since the mediaeval period of a new and completer world-economy. World-economy has come into process of development in a new sense by the inauguration of machine production and its increasingly fixed and growing world-market, which for more than a century has been making its conquests from decade to decade and from country to country. The present tendencies are now actively represented in large-scale production and in the formulation of international trade agreements. It is to events such as these, and not to signs of the cessation of wars, that we must turn for forms of a contemporary developing world-economy. A possible league of nations to enforce the peace of the world may have its promise for the future. But nevertheless the establishment of world-economy cannot mean an end of national warfare any more than the establishment of modern national economy meant the total cessation of civil war. The philosopher in our day, as in Plato's, must view phenomena from a lofty eminence.

PART II

THE LARGER SOCIAL SCIENCE

C. THE LARGER SOCIAL SCIENCE AND OPEN QUESTIONS OF ECONOMIC METHODOLOGY

1. *The Aristotelian historico-ethical social-science sociology.*—In our day psychology and sociology are each striving to construct a more general interpretation of human society, in more objective

terms than those employed by the older philosophy. The new methods of modern science have resulted in a more objective, a more concrete, and a historical interpretation of the truths of moral life. These new methods of science have tended at once to restore and further to broaden economic inquiry by prosecuting it on the Aristotelian and historical lines of inquiry which were entered long ago; as, for example, in the politics of Aristotle, in the development of the Roman system of civil law, and in that remarkable system of reasoned expediency and policy which characterized the foremost representatives and spokesmen of the Christian church in its formative period, as exemplified in Fathers of the early church like Origen and Augustine, or in popes like Leo the Great and Gregory the Great. The objective ethical bases of their reasoning may be illustrated by anyone for himself who can find the time, command the insight, and possess the patience to read that great piece of apologetics known as *De civitate Dei*.¹ Anyone, however, may easily possess himself of an equally

¹ Augustin, or Augustine, finished his work, *De civitate Dei*, about the year 426. His argument is that pagans are censurable for attributing the calamities of the world, and specifically the sack of Rome by the Goths under the lead of Alaric in 410 A.D., to the Christian religion and its prohibition of the worship of the pagan gods. Augustine eloquently urged that the cruelties which occurred in the sack of Rome were in accordance with the custom of war at that time, whereas the acts of clemency at that time resulted from the influence of the Christ's name; Augustine further observed that advantage and disadvantage often indiscriminately accrue to good and wicked men alike. The bishop of Hippo, Africa, at one time professor of rhetoric in Milan, Italy, quoted Virgil and Horace as freely as Peter and James or the Psalms of the Old Testament to corroborate an observation of his own. Augustine clearly recognized what in our day we should call natural causes; he shows that the calamities of Rome were due to the corruption and vice into which the Romans had fallen and into which they were even then being plunged deeper and deeper. So his argument runs for the most part through his first seven books. In his eighth book he undertakes an account of the Socratic and Platonic philosophy and lashes the doctrine of Apuleius that demons should be worshiped as mediators between gods and men, as Wycliffe in the fourteenth century argued in his *De dominio*, needed no mediators of the sort which certain sages of mediaeval church and state were then passionately urging. The eighth book is especially obscure.

In order to follow the rational ratiocination of Augustine throughout the twenty books of *De civitate Dei*, it is to be sure as necessary, but it is no more necessary, to eliminate the out-worn psychology of Augustine than it is necessary to eliminate the out-worn psychology of many of the religious conceptions of Plato and Aristotle before we can successfully modernize the *Republic* of Plato or the *Politics* of Aristotle, before

objective example of vigorous ethical reasoning by reading that simple but great letter of Pope Gregory to Abbot Miletus in 601, in which he declared his reasons for his conclusion to spare the temples which had been erected to the pagan gods. For the stately apostolic salutation, "To his most beloved son, the Abbot Miletus; Gregory, the servant of the servants of God," we may substitute a more direct modern form of address and then proceed with directly quoting the opening words of Gregory's letter.

MY DEAR BROTHER MILETUS: We have been much concerned, since the departure of our congregation that is with you, because we have received no account of the success of your journey. When, therefore, Almighty God shall bring you to the most reverend Bishop Augustine, our brother, tell him what I have, upon mature deliberation on the affair of the English, determined upon, viz., that the temples of the idols in that nation ought not to be destroyed.

But Gregory continued his letter and pointed out that the idols within those temples should be destroyed, and he directed that "altars be erected and relics placed"; he also directed that as a sign of purification water should be sprinkled over these objects. Gregory then argued that if those temples are well built it is requisite that they be converted from the worship of pagan gods to "the service of the true God; that the nations seeing that their temples are not destroyed, may remove error from their hearts, and knowing and adoring the true God, may the more familiarly resort to the places to which they have been accustomed." The custom of slaughtering animals (oxen) for the honor of the pagan gods and other wastes of pagan festivity and dedication Gregory sought to rationalize by substituting a more rational and less harmful and less destructive set of *mores*. Thus Gregory directed that a

we can successfully modernize and apply their actual intellectual reasoning to modern conditions and problems. It has often occurred to me that had Augustine been possessed of the modern equipment of social science and social philosophy he might have chosen to argue for the location of his *Civitas Dei* as a successor to our mundane cities, to an earthly reconstructed city, by the perfection of future generations of mortal men, without transferring all his aspirations to a heavenly city far off. For the reading of Augustine's *De civitate Dei*, let me recommend the translation into English by Marcus Dods, found in Vol. II of the Nicene and post-Nicene Fathers, edited by Philip Schaff. First series, New York, 1907.

sort of camp meeting should be held about a rededicated pagan temple when made ready for Christian worship. "They may build themselves huts of the boughs of trees, about those churches which have been turned from" use as pagan temples. They were directed to "kill cattle to the praise of God in their eating, and return thanks to the giver of all things for their sustenance." Gregory correctly accepted the maxim that he who would "ascend to the highest place, rises by degrees or steps, and not by leaps." The flying machine was unknown to Gregory.¹

From the letter of Gregory to Miletus in 601 to the *Encyclical upon Labor*,² by Leo XIII in 1891 and since, similar lines of concrete and opportunist ethical reasoning may be found in abundance, penned by Catholic and Protestant churchmen alike. The Protestant churches of the Calvinistic variety throughout its various branches, the Lutheran, Anglican, and Wesleyan, and various types of other independent churches, have borne much fruit in the furnishing of good counsel adjusted to the hard actually existing factors and conditions of life. In fact these churches co-operate with one another and with the Catholic in some instances so far in the promotion of ethical ends and aims of everyday life that these forms of co-operation give some promise of a reunited Christendom; but these promising tokens, it must be confessed, stand by the side of tokens which indicate that that day of union is still afar off. Said a Catholic to a Protestant, "Where was your church before the reformation?" Said the Protestant in reply to the Catholic, "Where yours was." By an adequate and sufficient study and acquaintance with their respective and mutual shortcomings as well as by a sympathetic appreciation of the merits of the social service of the several branches of the Christian church their ultimate reunion may be accomplished. Into this union of fellowship and co-operation the enlightened spirit of altruism and social service of the new Judaism of the contemporary

¹ For this complete letter from Pope Gregory to Abbot Miletus, 601 A.D., see the Venerable Bede's *Ecclesiastical History of England*. Edited by J. A. Giles. Second edition, London, 1849: Henry C. Bohn, pp. 55 and 56. See also Glynn, *The Great Encyclical*.

² For citation of parts of *Encyclical upon Labor*, see Robinson and Beard, *Readings*, II, 500, or Hayes, *Political and Social History of Europe*, II, 249-51.

world also commends itself. But in our conception of humanity and its co-operation toward promoting the advancement and ultimate union of all mankind we must provide for more than Christian Protestant and Catholic and advanced Judaism. In the present stage of the world's development we may at least agree in pronouncing as good literature Lessing's fable in his *Nathan the Wise* of three rings and the loss of the true original, and that confession of Peter recorded in the Acts of the Apostles, 10:34-35, "Of a truth I perceive that God is no respecter of persons: but in every nation he that feareth him, and worketh righteousness, is acceptable to him." These citations we may at least agree in recognizing as verdicts of great literature. It is not widely questioned in our time by the thoughtful that the modern forms of organized Christianity, notwithstanding the bickerings and dissensions which too often issue, are nevertheless a powerful agency for good which gains expression in individual and social, i.e., public or popular, welfare.

In fact these agencies with their continuous adjustment and readjustment of individual and social conditions constitute a constituent part of the life of every strong nation, large or small, under the sun. This larger social control, which now governs national life in its ramifying interrelations, imposes on the citizenship of every people its norms of conduct and the direction of individual and collective effort. Hence come the limitations and power of the state; hence arises the supplemental control which is imposed on the citizenship of a state or people in the formal or tacit enactment of positive law.

a) Sociocracy and Democracy; Merit of a Mixed Constitution: For some years now I have been accustomed to employ the word sociocracy rather than either the word democracy or the word autocracy as a neutral word in distinction from both words, which are nowadays much used and often very indiscriminately used, and much in opposition as if the words were mutually exclusive, whereas the opposition is after all now largely chauvinistic and usually rests on subjective presuppositions which do not at all rest on reality or correct information respecting the actual practices and policies of the several states respectively under discussion.

After the passions of the present conflict shall have subsided we can again discuss the relative merits of varying state policies more calmly and dispassionately.

If we examine modern forms of sociocracy, whether we denominate them as democracy or autocracy, we shall the more readily discover what there is and how much there is in common between the English and the Continental systems of law. All forms of social control, whether exercised by the church, the family, or the state, combine to make up public opinion or the social mind. The groundwork of a public opinion or social mind, if it is to be depended upon for the guidance and adjustment of the intricate relations of social life, must rest upon some system of reasoned law like the civil law of Rome and of Continental Europe, or the common law of England and the statute law of America and other lands founded on the English law; these systems of reasoned law are themselves expressions of ethical theory in so far as they approach the ideals of ethical theory, and in what country does its reasoned law not claim to aspire to an approach of ethical justice? In the Continental countries of Europe there is so far no distinction between legality and justice, just as there is no distinction between *Recht* and *Gesetz*; but does that prove any corresponding difference in justice and legality? Is the claim which is usually and often boastfully made for the distinction not after all essentially chauvinistic?¹ The long-since recognized merit of a mixed constitution now still deserves recognition. Modern economics and politics have as yet given no final answers to the respective claims of democracy, aristocracy, and monarchy. Shall their respective claims be finally answered much as Plato and Aristotle answered, and as really nearly all the political philosophers and thoroughgoing thinkers of modern times have answered? The best elements of both extremes must be combined in what the Greeks called a mixed system, and what we may call a constitutional system.

After the great awakening which came to mediaeval Europe during the eleventh century Aristotelian lines of economic inquiry were again reopened and re-entered by the recovery of the study

¹ For parallels and points of contact between the Roman law and English law, cf. secs. 44 to 46 of my *Foundations of Economics*.

of the new jurisprudence of the eleventh century and the development of the canonist economics so vigorously developed during the late fifteenth and early sixteenth centuries.¹ That the mercantilistic and cameralistic economics are likewise based on a broad historical and ethical basis has been amply shown by the well-known essays of Gustav Schmoller and Albion W. Small respectively.

The historical school of economics and the newly forming science of sociology have jointly helped the English classical political economy to the present broad and sound basis of economic science. Among contemporary students of economic science some are showing a generous interest in this newly forming science of sociology and some a less generous interest; others are even showing a jealous and possibly a hostile interest in it; while a few possibly are still proudly sticking to their last, claiming that they have enough to do cultivating their own chosen garden. Yes, surely, the social sciences must be differentiated! This is necessary for the purpose of distinctly dividing the labor of students who must needs devote themselves to specific problems in order to become intensive masters of chosen professional work or selected fields of investigation. But shall these students have no provinces of investigation which they may claim in common?

Before a man can be considered a master in the social science of economics, or of politics, above all before he can be considered a Doctor, that is, learned in these sciences, he should know in addition to routine economic theory and economic history at least the elements of political philosophy and the common law, together with the meaning of such terms as constitutional limitations, judicial interpretation, and political corruption. I believe so strongly in the interdependence of economics and politics that I would insist on their joint requirement in qualifying for a Doctor's degree in either by requiring the other to be offered as a minor to whichever is offered as a major. Moreover it is also even at present proving true that the newly, though perhaps only slowly, building science of sociology is again giving to morality and the philosophy of reli-

¹ Cf. secs. 13, 20, 23, and 30 of *Modern Economics*, and secs. 43 and 51-52 of *Foundations of Economics*.

gion their former place of prominence and importance in the discussions of economics and politics.

It is self-evident and a universally accepted principle of a scientific pedagogy that we should aim to implant in our education of the child those simple arts and sciences which mankind mastered first. What we are in danger of forgetting is that specialized study must begin after generalized study has been prosecuted to a liberal extent, and that graduate study, in our parlance, should follow, and not precede or be contemporaneous with, undergraduate study. Not every man has the necessary saturation point for successful graduate study. We may with more semblance of accuracy argue that first steps in education can be taken by all. They belong to primary and secondary education. What we are in danger of forgetting in a self-complacent democracy is the natural stratification of social classes and the real differences between the thinking and informed classes and those who have no claims to distinction and leadership or to special skill as technically trained. For those who aspire to rise to recognition as entitled to rank in the category of the learned in social science or learned in social sciences, a broad and longer career of preparation must be vouchsafed; as Plato might add, they must be well born in the sense of a scientific eugenics.¹

b) The Significance and Uses of Applied Sociology and Pure Sociology:

Pure sociology studies man in his relation to his human environment for no other purpose than to discover the principles which lie back of human association, to discern the forces by which the social organization is built up, developed, and held together, to deduce all possible laws and generalizations as to the nature of social activities. Pure sociology has its eye neither on the future nor the present, but on the past. It would be content to stop its investigations a hundred years ago, provided that by that time all the essential facts could have been ascertained. Because the forces of society are most easily observed and isolated where they are reduced to their simplest terms, i.e., in the most primitive forms of society, pure sociology devotes much of its time to the study of human groups low down in the scale of culture, the barbaric and savage races of the present, and the prehistoric societies of the past, so far as evidence exists for studying them.

¹ Cf. Fairchild, *Applied Sociology*, pp. 293-94.

Applied sociology, on the other hand, seeks to serve wider ends than the accumulation of knowledge. It is concerned less with the ascertainment of truths than with the utilization of truths to serve human ends. Applied sociology turns its face, not to the past, but to the present and future, and since the present is but a point of time, preponderantly to the future; it is not so much concerned with finding out why society is as it is, as with determining how society can be made different from what it is—better than it is.

It is evident, however, that applied sociology is immediately dependent on pure sociology. Without the theoretic branch, the practical branch not only would be helpless—it could not exist. It is from pure sociology that applied sociology gets all its knowledge of the fundamental facts, the basic principles and laws which it is to utilize in accomplishing its conscious purposes. In one sense pure sociology is the handmaiden of applied sociology, but in an even wider sense it is the parent, the creator, the sustainer of applied sociology. Applied sociology needs continually to hark back to the teachings of the theoretic branch. Without the parent's guiding hand it is inevitably doomed to wander blindly and to grope ineffectually. A large part of the failures and miscarriages chargeable to the so-called "practical" sociologists is attributable to a faulty equipment of knowledge of pure sociology, or to a neglect to use the knowledge possessed.

Applied sociology then has to do with the task of examining the human relationships of modern civilized societies with the avowed purpose of evaluating them, of distinguishing helpful tendencies and forces from those which are pernicious, and of devising means to perpetuate that which is good, to eliminate that which is bad, and to reshape the social organization the better to serve human welfare. Just as the applied sciences in the material field seek to control and direct the forces of nature for conscious ends, so applied sociology seeks to manipulate social forces to accomplish human desires. Both are absolutely dependent on the forces which exist; neither can escape from the domination of these forces, nor go a step farther than the forces make possible. But both can control and direct the forces so that they operate as dynamic agents for human welfare rather than as unconstrained and vagrant powers of evil.

The goal aimed at by applied sociology in this manipulation of social forces is concisely indicated by the term utility, or the greatest happiness of the greatest number. To increase the sum total of human welfare, to make life more worth living to the largest possible number of the constituent individuals of society, to make society itself a more efficient agent of human happiness—these are the functions of applied sociology.¹

The larger social science will aim to conserve the Aristotelian objective and empirically social viewpoint in the study and in the construction of the social sciences and so keep in close touch with the spirit and method of the physical and biological sciences, and

¹ Fairchild, *op. cit.*, pp. 4-6.

will strive not to lose sight of the substantial unity, continuity, and continuous interrelations of all the sciences.

2. *The newer psychology and the realignment of ethics with economics.*—The psychology which lies back of the view of applied sociology just stated is the newer psychology which has been recently expounded, for example, by a group of psychologists in a series of essays collectively published under the title *Creative Intelligence*.¹

Through this conception of sociology, re-enforced by the modern social interpretation of psychology, modern economists will again be able to yoke together the teachings of a rational ethics and sound business practice. That honesty and integrity in business is in the long run the best business policy, that it is the only safe and lasting basis of success in business in the long run, is the teaching of economic history. How the neglect of this maxim avenges itself by the decay of business resting on deceit is indicated in many ways. For example, it was demonstrated by the failure of a false trade money which imperial traders from the Roman Empire attempted to impose and no doubt temporarily did impose early in the Christian Era on unsuspecting Hindus, as shown by the Roman denarii which have been found in the Punjab, of the pretended coinage of Augustus, but debased and plated to pass at full value. The uselessness of this kind of deceit must be proved by long-time and not by short-time periods, that is, by social values and not by individual values. The intelligent and farseeing state and the large-minded and generous-minded individual, thoughtful of the future, both are alike guided by long-time, that is, social, values. On the other hand ignorant states and selfish, self-centered individuals are guided by short-time values, on which profits can be realized or are hoped for being realized before discovery of defects or other fraud. During the first century of the Empire a considerable trade with India had developed through Egypt, but with wars and deceit it was lost after the lapse of time on account of the use of unreliable methods in trade. This sort of reasoning may be sneeringly dubbed ethics or moralizing, but in order that economic practice or the economic *mores* of any given community may be proved sound they must commend themselves, not only to the

¹ By John Dewey and others, 1917.

isolated community, but also to the general *mores* of any advanced and enlightened community, else we cannot conclude that there is or can be any standard which we can safely or correctly designate as the standard of civilization. A war confessedly often introduces a temporary reign of unreason and terror. But even in periods of peace between states we must be hesitating, liberal, and large-minded, or magnanimous, as a classic Greek might say, if we wish to pose as able to declare what are or what ought to be the ethical standards of a civilized man.

Perhaps it would be safe to observe that among the select and honorable clergy of every church and in the learned professions of all states, whether of church, state, or general community, law, medicine, engineering, and other skilled professions have in recent decades shown decided evidence of the new propaganda for social justice and social amelioration.¹ The value of race psychology, local usages, and business methods and practices into which the would-be seeker for new trade must be willing and expert in adapting himself also deserve his assiduous and efficient heed and study.² But even these are vain and useless in the long run if they are made to rest on mere pretense and chicanery, and not on real mutual service. Altruism can never be profitably eliminated wholly from human intercourse of man with man, nor even of animal with animal. Grounded in this newer and profounder contemporary psychology and this more broadly and more deeply based sociology, contemporary twentieth-century economists now generally accept the contention of the historical school of the mid-nineteenth century and the protests of literature from writers like Carlyle, Ruskin, and Morris that the induction from facts by the old English economists, including Mill and most of his immediate contemporaries, was not sufficiently wide, or rather that induction from facts was not sufficiently practiced.³ Their reasoning was

¹ Edward Alsworth Ross.

² W. B. Sheppard, "Our South American Trade," *Political Science Quarterly*, XXIV (1909).

³ That brilliant Irishman, John E. Cairnes, in his study of the *Slave Power* (1862), showed the latent capacity of British economists of that period in historical exposition. John Richard Green's *Short History of the English People* belongs to the same decade and likewise holds high rank as an essay in the economic interpretation of history.

excessively deductive. Adam Smith had begun with a few undeniable maxims of the advantage of liberty of labor and the division of labor. Ricardo and his followers developed all these with great severity under the guidance of the principle of freedom—of competitive freedom. Soon the older economists had made a faith of competitive industry. The idea of competitive market value was habitually made the central and well-nigh wholly exclusive point of their theory, the major premise and the minor premises of all their syllogisms. The next step was to eliminate from value, and in consequence from wealth, the idea of well-being. In this crass garb industry stood forth as a state of war and as nothing more. Re-enforced by their *laissez faire, laissez passer*, the older economists by the aid of the *epigoni* of the first reform epoch won for our science the sobriquet of the “Dismal Science.” From the hopeless aspects of the *laissez faire* maxim the classical economists presently recovered by developing carefully reasoned and well-selected maxims of exceptions.

But from the unfortunate and scientifically unfounded separation of economics from ethics the English-speaking world, above all the United States of America, has not yet recovered. If the proclamation of the separation had been accompanied by a contemporaneous or coexistent declaration that the separation must be insisted on because, forsooth, we do not know what is meant by ethics because ethics is a philosophical or religious concept and not the basis of a positive science, the decree of separation would have been less mischievous. But unfortunately the decree of separation has been seized upon as a basis for that fearful maxim of much of our business and politics that “business is business,” or that “politics is politics,” either of which being interpreted means, “Do the other man and see to it that you do him first.”

In economic conduct we must insist upon honesty and integrity; if these are not ethical the economist can perhaps discuss his subject without the aid of, or even without reckoning with, ethical ideas. But unless this can be established we must draw upon the aid of ethical ideals for the determination and guidance of economic conduct. Not one of the masters of economic science has dismissed ethical motives and ends from his consideration as curtly

as some of the *epigoni* have done it. What we must learn to insist on is that in the long run, or in the large, ethical ideas and economic ends must coincide; that they cannot, at any rate, be diametrically opposed to each other, else how can they be made out to be sciences of the same cosmos? If industry is absolutely competitive, this and nothing more, it is a rude and crude state of war. The relentless, the extravagant assertion of the rights of competition, a much misunderstood term,¹ gave the initial impetus and impulse for the separation of business from ethics, a point of departure from which contemporary economics has begun a return journey, a point of departure from which there must be more complete recovery if nations shall endure.

Among the many hopeful signs of the continued development of economic science in the immediate future is the growing respect for, and the present very general and concrete employment of, scientific method in economics in lieu of eighteenth-century doctrinaire methods. This is evidenced by the esteem and confidence which American economists have been winning in positions of public trust and specifically in the public administration of both our federal and our commonwealth public service. This has been true especially since 1898, the year of our war with Spain; and who can doubt that the results of the present war will also continue to impress nations of our time with further need of more expert professional public service. But let the economist beware of trusting too far or too exclusively to books, to mere books, lest his learning become merely the learning of the parrot or the mandarin.

Another hopeful sign of the further development of economic science in the immediate future lies in the growing recognition of the interdependence of all the social sciences upon one another. The several social sciences are less and less disposed to shut each other off from one another as if they could be assigned to respective water-tight compartments. The developing science of sociology is contributing directly to this wider view of a larger social science. The lesson of rising by each other's aid as suggested by Keller in

¹ See Hadley, *Economics*. What the older English classical economists did wish to rule out of their economic philosophy was the meddling interference from uninformed religious opinion, not the carefully reasoned opinions of a canonist economist. Cf. sec. 13 of *Modern Economics*.

his *Societal Evolution*, as the physical sciences do, bids fair to be taken. Is this example not already followed in more and more channels and directions? A happy index of this combination of effort is today found in the field of social politics,¹ which is haply sought to be advanced by the efforts of each of the departments into which the several social sciences are at present wont to be grouped, namely, anthropology, sociology, economics, politics, history, and social ethics.

3. *Sociology as foundation and continuation, structure and super-structure, of social science.*

a) Genetic Ethics and Economics: These sciences may be grouped together as two fundamental social sciences. Ethics may be regarded as the more spiritual and the less material of the two, while economics is the more material and concrete, in the sense that economics begins in even closer touch with life and matter. Ethics begins with human thought and reflections on human conduct, manners, and ways of thinking of human acts and relationships. Economics emerges with thought-processes and acts which center about the house hither and whither, converge the food quest in consumption and production, in discovery, preparation, or conservation.

Ethics in its genesis may be viewed as fundamental sociology. But ethics in this sense should be considered, not as an intuitional, but as an evolutionary or historical, science. The initial norm and therefore the initial unit of inquiry in social science is *ethos*, "custom." When the Greeks began to make their inquiry it should be remembered and fully borne in mind that they were no longer a primitive folk, although they were then yet pristine. After Aristotle, perhaps we should say long after, intuitional ethics began, although we find traces of the same earlier even than Aristotle. Intuitional ethics and the intuitional philosophy which sanctioned and postulated an intuitional sense or faculty was a full-fledged product of the eighteenth century of Europe.

When William Graham Sumner late in the nineteenth century determined for his part to abandon the inherited certitudes and

¹ Cf. C. E. Merriam, "Outlook for Social Politics in the United States," *American Journal of Sociology*, VII (1912).

a priori assumptions of the older philosophy, he began to look for an answer to his questions in search for the proper title for his first book in sociology. As the world now knows, he went back in spirit to Aristotle and happily selected the word *Folkways*; the whole student world now knows, or should know, that Sumner selected the word *mores*, a Latin word having a little wider significance, as equivalent for the Greek *ethos*.

About the word *mores* the facts of Sumner's social studies mainly centered, and from these facts collected and reported in *Folkways*, Sumner and his students began a reconstruction of *social science*. At the same time, and both before and since, a legion of other students has been occupied with the same or a similar inquiry, with the result that a practical and historical ethics is gradually supplanting a decadent and waning intuitional ethics. Ethics and religion are too often identified with the faith of the medicine man instead of being identified as they should be with the faith and vision of the theistic philosopher.

The standards of conduct as worked out by any given society constitute its *mores*. The economist who aspires to rank as a master of current economic literature must acquaint himself, not only with the masterful contribution of William Graham Sumner's *Folkways*, but also with that notable continuation of Sumner's work which is embodied in *Societal Evolution: A Study of the Evolutionary Basis of the Science of Society*, by Albert Galloway Keller (New York, 1915), and with the recently published volume on *Applied Sociology*, by Henry Pratt Fairchild (New York, 1917), together with other recent contributions in the same field. Such fundamental phases of social psychology as Sumner has demonstrably expounded in his *Folkways* and which Keller and Fairchild continue to re-enforce and expound can no longer be left out of account by the economist who hopes to deal efficiently with the problems of international economy, and will continue to be involved in the international or world-state economy of the future.

The *mores* of any given group of society tend to "become," says Keller, quoting Sumner, "in part uniform, universal in a group, imperative, and invariable," growing, as time goes on, "more and more arbitrary, positive, and imperative." They are thought of

as the code of a superior group, and this involves their comparison with the codes of other groups, to the disadvantage of the latter. "This group egotism which, among other things," continues Keller, "causes so many tribes to denominate themselves 'Men,' as distinguished from the rest of the world, who do not measure up to that exalted title, is called ethnocentrism.¹ The reason why the rest fall short of "us" is because of their ways far more than for any other, for example, any physical peculiarity. Ethnocentrism is thus a specifically human sentiment. It enters to strengthen the local code of *mores* as the distinguishing character of the group, and to promote intolerance and hostility as respects the ways of others. "Each group thinks its own folkways the only right ones, and if it observes that other groups have other folkways, these excite its scorn. Opprobrious epithets are derived from the differences. Pig-eater, cow-eater, uncircumcised, jabberers, are epithets of contempt and abominations." A galaxy of such terms could be gathered in our own society and time, as, e.g., bog-trotter, dago, sheeny, griner, hunkie, bohunk, guinea, wapp. These and other terms have been invented to mark the exponents of uncongenial *mores*, racial, national, or sectional. Thus "ethnocentrism leads a people to exaggerate and intensify everything in their own folkways which is peculiar and which differentiates them from others. It therefore strengthens the *mores*."

It is to be noted that the differences which catch the eye and are thus held up to contempt are often entirely inessential. Diversity in language is prominent among these; ignorant people take the attitude, so graphically portrayed in *Huckleberry Finn*, that a human being should talk in the way human beings were meant to talk, i.e., as "we" do. Again, it is what the other people eat that arouses our contempt and even ire. Greek and American Indian alike despised the "Raweaters" ("Eskimantsic"); and the British sailor hastened to smite the snail-eating Johnny Crapaud. Such judgments, often totally irrational, as to the undesirability of others' *mores*, have contributed not a little, with the proper opportunities, to the attempt to eradicate both *mores* and men.

The economist, moreover, cannot close his eyes to such a sociological proposition as this: "There are such things as harmful *mores*."³

¹ Keller, *Societal Evolution*, p. 58.

² Keller, *op. cit.*, pp. 58-60.

³ Cf. Sumner, *Folkways*, secs. 28, 29, 65.

It has been affirmed of the classical English writers on political economy that these contain no name of the first rank in literature, and J. S. Mackenzie in his *Social Philosophy* comments with great directness and clearness on the shortcomings of economists, whether considered as scientists or as philosophers.¹ The influence of J. S. Mill, Cairnes, Alfred Marshall, and other English economists has recently aided in working out an altogether wider and more universal view of economic discussion and investigation.² Economists will undoubtedly continue to suffer from some of the past strictures which were deservedly passed upon them and will continue to be passed upon them, except as they will cultivate the wider aspects of their science. Economists cannot too well heed the remark of Schäffle, "Without good psychology there can be no good biology,"³ and Mackenzie's added remark, "Without good biology there can be no good economics."

In our day science cannot be shut off by itself and set apart into a separate, water-tight compartment, and the more we try to set up the complete distinction between science and philosophy and between ancient and modern thought the more clearly we seem to be learning their interrelations and interdependence.

Are Plato, Aristotle, and Aristophanes or Sophocles modern or ancient? They are to me as modern as Hinky Dink or Bath-House John. The memory of the latter will not survive. This attitude of mind, this habit of thought, the evolutionary hypothesis, develops. Social science, which embraces economic science, can afford to take lessons from natural science the more cheerfully and self-complacently because evolutionary science ought to pay back its debt to economic science. Spencer substantially said, I learned from Malthus.⁴

¹ Cf. J. S. Mackenzie, *Social Philosophy*, pp. 53-70. On p. 57 Mackenzie observes, "Of course the reference here is chiefly to English economists."

² Discussion of scope and logical method of economics, cf. sec. 46 of chap. vi of manuscript volume on *Economic History: Rise of Modern Economics*.

³ Schäffle, *Bau and Leben des sozialen Körpers*, III, 285.

⁴ For his exact words see *Principles of Sociology*, Vol. I, Part II, p. 440, where Spencer says of division of labor: "This division of labour first dwelt on by political economists as a social phenomenon, and thereupon recognized by biologists as a phenomenon of living bodies, which they called 'physiological division of labour,' is that which in the society as in the animal, makes it a living whole."

But how do you make the distinction between natural science and mental science, after once you accept the hypothesis of evolution? Does not, yea, is not, mental science rapidly becoming natural science? Can it be anything else? On this point the psychologists have triumphed in being admitted to the rank of Baconians. In another group of social-science students some time is now given to the question, Are you a Spencerian or a Darwinian? When I am asked this question as a student of social science I am always at a loss for a reply. I always prefer to remand the question to the questioner and let him seek his analogies or his differences between Spencer and Darwin from some botanist, biologist, or zoölogist, and as for saying which of the two has the closer relation to, or the more to teach, social science, I am at still greater loss, because neither of them worked on the real problems of social science; neither of them has made any direct contribution to social science. Herbert Spencer was a general philosopher, and Charles Darwin was a highly specialized biologist. As for their indirect contributions, neither of them made those contributions by reason of their study of social science, but by reason of their somewhat distant and timid acquaintance with the old philosophy and the old philosophers, and because of their discoveries and observations which have proved to be very fruitful in their reactions on the old philosophy. By "old" I mean to describe the distinguished philosophers from Aristotle to Kant or to Schleiermacher.

I have read Spencer, most of his volumes, and I have read Darwin, his *Origin of Species* and his immeasurably inferior *Descent of Man*. With respect to method and the spirit and inspiration of science Darwin is of course regarded as the greater contributor to human knowledge. But Spencer and his staff of amanuenses and their lore were also worth while; they have collected a vast mass of fact and legend of which students of social science have made extensive use. When some of my correspondents have called me a Spencerian I have been tempted to ask: What do you know of Spencer? Do you think I must be a Spencerian because I accepted the doctrine of evolution in the sense of human development? In biological science a student may declare, for example, for Alfred Russell Wallace. The biologists have heard of other great names

and usually name others also in their account of the development of the theory of evolution. In the same way we must recognize many names in any real account of the theory of development. If I must be called names I might prefer to be called Malthusian, Hegelian, Pauline, or Aristotelian.

b) Economics and Politics: In evolutionary science the words economics and politics stand in the same relation to sociology as the words botany and zoölogy stand to biology. The distinction between the sciences sometimes described as *ics*-sciences, from the sciences described as *y*-sciences, has been to rest on the claim that the former are more abstract, while the latter are more concrete. But if we look deeply enough, or push any of the concrete sciences far enough, we shall find the distinction between concrete and abstract not a simple one after all. The terms "economy" and "polity" have always been available as substitutes for economics and politics respectively, and there is some tendency to employ these words whenever their concrete and historic aspect is to be stressed. In our day both economic science and political science are tending to be treated on Aristotelian lines by being approached in a more concrete and historical spirit. In the eighteenth and early nineteenth centuries, from Adam Smith to John Stuart Mill, the English classical political economy came fully under the sway of intuitionism and the older metaphysics, but thanks to the historic insight and criticism of economists like J. E. Cairnes and Walter Bagehot, aided by certain Continental influences, a reaction set in, a reaction which was embodied in Alfred Marshall, as shown in sec. 46 of my *Rise of Modern Economics*.

Throughout the greater part of the nineteenth century, until toward the end of the century or the founding of the American Economic Association, our older American textbooks on political economy represented accordingly a dogmatic intuitionism which tended to set up and apart the sciences, separating them by hard and fast lines. They go far, for example, in urging the separation between economics and ethics in the treatment of economic subjects, and the explanation is not far to seek. It is found in the fact that owing in part to our efforts to hold church and state absolutely distinct in our American life we have made about as little progress

in our discussion of ethics as we have made in the discussion of scientific aspect of religion. Indeed our usual attitude is to treat both ethics and religion as tabooed in scientific discussion. We have accordingly our reward; we have little to offer on these subjects which is worth ranking as scientific treatment or treatise thereon. Thanks to the new science of sociology and the new psychology, the beginning of a change is now being made in our attitude toward the treatment of morality and religion and in their recognition as subjects of importance which requires scientific treatment.

In the early editions of Walker's *Political Economy* occurs a strong passage which stresses the need of distinction between ethics and economics, urging even that they have nothing to do with each other. This passage is softened or wholly omitted in later editions. I know of no passage in our recent writers like Ely, Hadley, Seager, Fetter, Taussig, Davenport, or Johnson equally radical; and yet all alike, and that wisely, are at pains to avoid proposing to speak in the name of ethics or religion. This caution is necessary because accepted thought on these subjects is still too far from that unity and objective validity and demonstrability which must support a scientific opinion. In the sphere of ethics economists have begun to utter themselves cautiously because in the discussion of what economists are now calling, for example, a prosperity policy, they must necessarily lend themselves to some statements of reasons which involve ethical considerations. But on this plane of discussion they clearly occupy objective and tangible ground. When the close interdependence of ethics and theology, that is, of morals and religion, comes to be better appreciated, these subjects also will each come to be more recognized as more and more directly connected with mundane things and freely discussed in the antechambers of the several social sciences. Witness, for example, Edward Alsworth Ross on *Sin and Society* and Henry Pratt Fairchild in his reclassification of the topics of *Applied Sociology*. Can the science of economics, economists must now ask, continue to make its needed progress without also continuing some degree of mastery of both contemporary psychology and sociology as contemporarily expounded? Just as truly an economist must have at least a fair acquaintance with elements of mathematics and

material science. He who objects to these fundamental preliminary requirements as necessary equipment of the economists is likely to find himself in need of a larger view of the content of a good high-school or junior-college education; the master economist must now add to these a good senior-college and a university education. But it would be idle to insist on definite agreements in detail on all leading topics of economic theory or investigation. A very general agreement has now been reached, as may be shown by bringing into comparison the views of the writers of our present most widely used schoolbook treatises on economic theory. I quote approvingly the comment of Fairchild when he writes in the preface to his *Applied Sociology*: "If some of the conclusions which I state, or seem to state, challenge contradiction and refutation, that fact does not detract from the usefulness of the book for the purpose for which it is designed."¹

In the concluding section of chap. vi of *Modern Economics*, sec. 46, an attempt has been made to bring together a summary of the present phases of economic theory on which general agreement had then been reached. But with respect to detail and the more subtle and remote points of discussion of problems in economic theory economists are today as far apart from each other as the psychologists, whether you bring into debate with each other followers of old or of new schools, although for the future victory will probably lie with the new or progressive school. But no one man may safely pose as the authoritative representative of the correct or right school. The correct school is represented, as the advanced pragmatists put it, by an attitude rather than by a system.

I accept the recent utterance of Dewey, but I have no quarrel with him who does not accept this utterance: "A belief in organic evolution which does not extend unreservedly to the way in which the subject of experience is thought of, and which does not strive to bring the entire theory of experience and knowing into line with biological and social facts, is hardly more than Pickwickian."² Indeed I could not accept the Dewey school did that school not

¹ Fairchild, *op. cit.*, Preface, p. viii.

² Quoted from p. 35 of *Creative Intelligence*, by John Dewey and others.

show profound respect for, approval of, and acquaintance with, the older philosophy and thought. In thus proclaiming myself a pragmatist, saying merely I take or accept the pragmatic attitude, I am not claiming rank as a psychologist; that claim would be irrelevant and premature. But I do aspire to win the approval of my colleagues and friends, particularly in the spirit of my friend and colleague, Professor Patrick, a psychologist, who said of one of our colleagues from another institution, "He writes well and clearly of psychology for a man who isn't a psychologist." It has occurred to me that Graham Wallas, of the London School of Economics, decided wisely when he concluded to name his recent book *The Great Society*, and addressed his Preface to Walter Lippman, the aspiring writer of *Preface to Politics*. All these involve difficult combinations, and a forecast, which are worth the trying; and still more worthy shall be the ultimate achievement of a combination and union of sociology, economics, and politics with the aid of psychology and history into a developing larger social science.

c) Genetic Politics; Theism (Theology) and Aesthetics: In the foregoing subparagraphs of this section, and for that matter I trust throughout this treatise, genetic ethics and genetic economics have lent themselves to consideration in large measure as realizable by concrete human beings in pursuit of their livelihood and associated in accordance with manners and customs which successive societies of man on the earth have developed in the concrete groupings of human history. This has been possible, I hope, on account of the importance that we have attached to an objective study of a real objective economic world, taking form or gaining expression in economic history. Politics in the sense of a political philosophy has also been considered in connection therewith in the sense that every concrete and complete economic society presumes or assumes the state as its necessary counterpart. Although within the compass of a single treatise this objective counterpart cannot always be continuously kept in view or made a continuous part of the same story, we must never for a moment forget that its reality must ever be kept in view as a fact. A genetic politics without the aid of political history which will give an account of its constitutions and

institutions is unthinkable. It is readily made the most dramatic and engaging of all forms of human history.

Although economics and politics are usually studied as distinct and as standing in contrast and even in opposition to one another, I have for myself been so convinced of their mutual interdependence, after looking into their nature and observing their inner connections with each other and their mutual dependence, that I have not attempted to draw a distinction where to me no clearly evolved distinction as yet exists, perhaps will never exist, except in the sense in which it has already long existed and is more and more clearly recognized: namely, economics is wont to deal with the production and distribution of wealth, politics with the struggles which pertain to its mastery in and for distribution. Today, for example, many talk freely and fluently of the distinction between an economic and a political democracy. But is the distinction not one of vested rights merely? Otherwise this distinction is for me obscure and unreal. I find similar difficulty in apprehending the distinction often set, for example, between economics and sociology, or between politics and sociology. Social science will gain immensely if once we can recognize economics and politics as clearly parts of sociology as we now recognize botany and zoölogy as branches of biology.

Recently developed sociological analysis of social functions¹ points to the unity of economics and politics in a larger social science; while both of these have their roots in an ethical or historico-social science which for purposes of clearness in analysis of thought and function and for the sake of effectiveness in the handling of the tasks and problems of social life recognizes them as subdivisions of social science. But these subdivisions must constantly recognize their mutual inner relations and interdependence.

Thus in correlating social functions and social forces with social phenomena what shall we do with economics and politics? Shall we classify economics only with hunger in our exposition of social forces, and politics with love or the principle of population? But this would be manifestly inadequate. Economics must have regard to both hunger and love. So must politics, whether we apprehend it as static or follow it in its various stages or phases

¹ Cf. Fairchild, *op. cit.*, chap. ii.

of social organization from the tribal through city and national state to a world-state. Shall we then impute hunger, love, and vanity as bases of both economics and politics, and can we stop here? Must we not also reckon with other human desires and passions as entering into both the economic and the political life of man? Any negative answer to this inquiry leaves the economic man or the political man an incomplete or partial man considered as a social being. This partial or stunted view of man was taken by the older political philosophy, and it is now persistently taken of the economic man, but not necessarily so, and it is not in harmony with the highest aspirations of modern democracy. In a democratic economic and political philosophy the entire man, his being and his aspirations, must receive recognition and must be kept in view. Hence in a complete and adequate philosophy of the economic or political man we impute also, that is, reckon with, theism (theology), with religion and art, as underlying a basic conception of the unity of the universe and of its beauty and perfection.

In these three aspects then, namely, in the unity, beauty, and perfectibility of the social life, religion and art sustain a close kinship and minister to the aesthetic life of man just as philosophy, science, and learning stimulate and gratify man's mental reaction and develop and nurture his intellectual and spiritual life.

The concept of one God in whom we think the unity of the manifold was clearly enunciated by the founder of Christianity, whatever traces of theism we may credit to earlier sages. After Christ a unified humanity was thinkable, whether realized in a Kingdom of Heaven or in a unified world-state on earth.

A primitive man's religion is also and always a portion of his philosophy and science, though humble, incoherent, and inarticulate it must be. So an educated man's philosophy and science must also and always be a portion of his religion, provided only we preserve this dictum: Every man's religion is and must include a consideration of his attitude toward the universe. I think it was Bishop Butler, an eighteenth-century English divine and thinker, who, writing on the *Analogy of Religion*, said somewhere in effect: We call that God which we cannot account for by natural law which is now known or explicable by us in terms of cause and effect. If now we

assign the unknown and unknowable which requires an ultimate explanation to a deity, *δθεός*, *ein Gott*, God, or *dieu*, why not attribute the rationally known and explicable to the same ultimate concept of the universe in its unity, beauty, and perfectibility?

d) The Human Type of Evolution: This type of evolution is mental instead of physical; it is psychic, not organic. The result of human evolution takes form in variation, selection, transition, and adaptation of social organization of human beings in associated living rather than in changes of physical form or structure. "Viewed as an animal, man," etc.¹

Natural scientists mean something definite and actual when they use the terms variation, selection, transmission, adaptation. So in our day social science as sociology is becoming and has become a natural science which has learned and is learning to use these terms, not only in recounting the past course of human development, but also, and much more, by applying these terms for the education and reconstituting, that is, reforming, reformation of the world. Results must follow if, in sociology, we can learn to employ correctly the terms social variation, selection, transmission, and adaptation. Thus we can assist in creating a new world and replacing the old, not by adopting haphazard and sudden methods of revolution, but by patiently working out scientific principles of social evolution.

The first step in science and life which must be taken for reconstituting the world-peace is the abolition of the old ideas respecting race finity and race hatreds, and that extraordinary and extensive chauvinism which has the modern world in its grip. One way of doing this will be through the turmoil and the second thoughts which will come as a result of this war. If America has a mission in bringing peace it will lie in the advocacy of that wider basis of human brotherhood which Israel Zangwill has proclaimed in his conception of America as a melting-pot of races and nationalities.²

¹ Keller, *op. cit.*, pp. 17-19.

² I indorse very heartily the comments and observations of James Harvey Robinson in the *Century* for June, 1917, in his introduction to the "Loyalty and the Foreign Born. An Interpretation," by M. E. Rawage. Although Mr. Robinson pleads the right of all those Americans who have an ancestral country to revere and honor all worthy ancestral traditions, he pleads more directly for a better and greater America

If the evils and mischances of an irrational and embittered ethnocentrism has fastened itself upon Europe, that is not an adequate reason for our forgetting the lessons we have learned in the last three centuries during which our gates to the Atlantic, our present-day Mediterranean, have stood wide open to all comers from Europe. Would not a reversal of our Jeffersonian, eighteenth-century dogma of equality before the law be the greatest mischance and misfortune which our entrance into the present European war could bring to us?

Are we now preparing the way for a more just and equitable economic equality both in America and Europe? Is this true even of Germany, notwithstanding the fears which the present war has awakened against what we are now calling kaiserism or autocracy?

Must we not, after all and in the end, agree to a peace the terms of which can be constructed on the basis of good-will and law and order of existing sociocracy, that is, of existing social organization, and on the basis of existing or reconstructed societal ideas and forms? Let France have her president and Chamber of Deputies, England her king and House of Lords, Prussia her king and Landtag, until such time as these countries themselves decide otherwise, they in the meantime co-operating with us for the restoration of a world-economy the interruption of which began in 1914, when the atmosphere was charged with imperialistic and reconstruction ambitions

merged in a wider and more generous patriotism. Items of racial antecedents, when cited, may have the double purpose of stimulating charity and sanity of insight, for which Mr. Robinson has used his pen. My own ancestral stock was neither New England, Moravian, nor Huguenot, but Presbyterian German, belonging to that branch of orthodox Protestant Germans led by Calvin and Zuingli, who along with followers of Luther and various sects like the quietists were hurried from the Palatinate during the wars of Louis XIV, when Ellsäss-Lothringen was first transferred from Germany to the flag of France, when amid religious persecution these exiles joined other refugees and under the patronage of the English king and William Penn settled in the Colony of Pennsylvania. The various nationalities of that period settling in American colonies along with Englishmen themselves were then welded into a new nationality with Englishmen of revolting sects who formed the fundamental layer, but all these together producing a culture of which the ethics and theology of the Old Testament furnished so clearly the substratum that the general and widespread presence of Old Testament names in the American colonies must now be interpreted as an evidence of the piety of our ancestors rather than taken as an indication of Hebrew descent.

which then were probably not restricted to any one or even to any two countries. In 1914 hopes of a crushing victory were more freely avowed than now. An expectation, a desire for peace, has come. Will autocracy suddenly come to an end? Has the reconstitution of the German Reichstag commenced? Will democracy now suddenly triumph?¹ Where and when will democracy find its method, law, or chart of reconstruction and achievement, except in the laws of past social evolution? Does the hope of democracy for the future lie with the further development of legal systems? If the answer be affirmative it can only be so if the social conscience develops *pari passu*. Russia, Germany, France, and other portions of Europe will have their surprises in programs of accomplished social reconstruction. Not least of all will attention be commanded forthwith by the British labor movement and proposals therewith arising of a new social order.²

¹ See Simeon Strumsky, "The Fourth Year of the War," *Yale Review*, October 1917.

² See "Labor and the New Social Order" (A report by the subcommittee of the British Labor Party), *New Republic*, February 16, 1918.

[To be continued]